

WOMEN'S BUSINESS CENTER AMENDMENTS ACT OF 1999

MARCH 10, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TALENT, from the Committee on Small Business,
submitted the following

REPORT

[To accompany H.R. 774]

[Including cost estimate of the Congressional Budget Office]

The Committee on Small Business, to whom was referred the bill (H.R. 774) to amend the Small Business Act to change the conditions of participation and provide an authorization of appropriations for the women's business center program, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 774 is to amend the Small Business Act to change the conditions of participation in the Women's Business Center program and to increase authorization of appropriations for the program.

The Women's Business Center (WBC) program was established as a demonstration program by Public Law 100-533, the Women's Business Ownership Act of 1988. The statute was modified in 1991 in Public Law 102-191, the Women's Business development Act of 1991, and again in 1994 by Public Law 103-403, the Small Business Reauthorization Act. Originally, the Women's Business Center Program was a three year program with a non-Federal dollar match requirement to obtain Federal funds. After three years the centers were considered "retired" from receipt of federal funds. Public Law 105-135, the Small Business Reauthorization Act of 1997, made the program permanent and extended the funding to five years. The match requirement, established in P.L. 105-135, is as follows:

In years 1 and 2—1 non-Federal dollar for every 2 Federal dollars.

In years 3 and 4—1 non-Federal dollar for each Federal dollar.

In year 5—2 non-Federal dollars for each Federal dollar.

H.R. 774 changes the ratio in the fifth year to 1 non-Federal dollar for each Federal dollar. It will also raise the authorization level for the program from \$8 million to \$11 million.

This legislation is meant to apply to Women's Business Centers immediately so that the ratio change for the fifth year to 1 non-Federal dollar for each Federal dollar is effective for centers entering their fifth year of funding as of July 1999, the date when centers begin a new funding cycle.

NEED FOR LEGISLATION

This bill is a product of the information gathered at the hearing on the Women's Business Center Program held on February 11, 1999. Based on information gathered at the hearing, Members on both sides of the aisle and the Administration agreed that a comprehensive study of the Women's Business Center Program is needed.

Therefore, the Committee chose a two-step approach to address the issues raised at the hearing. The first step is H.R. 774, which addresses the two most immediate concerns, the funding ratio for Women's Business Centers for their fifth year of funding and the authorization of appropriations. The majority of Federally funded centers will enter their fifth and final year of funding this coming July. Currently they must raise 2 non-federal dollars to obtain 1 Federal dollar. This ratio creates an immense fundraising burden for Women's Business Centers, which will no longer receive Federal funds after July 2000. Thus, H.R. 774 changes the ratio in the fifth year to 1 non-Federal dollar for each Federal dollar.

The second step for the Committee entails a hearing to follow completion of the GAO study which is currently contemplated. It is hoped that the study will improve the Committee's understanding of where and how the program should grow as we consider additional legislation later this year.

COMMITTEE ACTION

H.R. 774 was introduced on February 23, 1999. On February 25, 1999, the Committee on Small Business met for the purpose of considering and reporting H.R. 818 and H.R. 774, as well as for considering the Committee's Budget Views and Estimates. H.R. 774 was introduced, considered as read, and opened for amendment. No amendments were offered. Chairman Talent moved to pass H.R. 774 and report it to the House. At 11:10 a.m., by voice vote, a quorum being present, the Committee passed the bill, H.R. 774, and ordered it reported.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This act may be cited as the "Women's Business Center Amendments Act of 1999".

Section 2. Conditions of participation.

This section eliminates subparagraphs (B) and (C) of Section 29(c)(1) of the Small Business Act, changing the funding ratio in the fifth year to 1 non-Federal dollar for each Federal dollar so that in the third, fourth and fifth years the ratio is 1:1.

This bill will be considered effective as of October 1, 1998.

Section 3. Authorization of appropriations.

This section increases the authorization of appropriations from \$8 million to \$11 million.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 26, 1999.

Hon. JAMES M. TALENT,
Chairman, Committee on Small Business, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 774, the Women's Business Center Amendments Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Hadley.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 774—Women's Business Center Amendments Act of 1999

H.R. 774 would increase the authorization of appropriations for the Women's Business Center Program from \$8 million to \$11 million for each fiscal year beginning in 1999. Women's business centers train and counsel women in the skills necessary to launch their own businesses. H.R. 774 also would change the requirement that a business center match each \$1 of federal funds with \$2 of private funds in the fifth year that the center receives federal support. Under the bill, the matching requirement in the fifth year would stay at the current third- and fourth-year level, \$1 of private funds for each dollar of federal funds.

For the purpose of this estimate, CBO assumes that H.R. 774 will be enacted by June 30, 1999, and that the authorized amount will be appropriated for each year—including a supplemental appropriation for 1999. As a result, CBO estimates that outlays would increase by \$2 million in 1999 and by \$3 million in each year over the 2000–2004 period, relative to the currently authorized level. According to the Small Business Administration, the Women's Business Center Program received the authorized level of \$8 million in 1999 from amounts appropriated for this year. The costs of this bill fall within budget function 370 (commerce and housing credit).

H.R. 774 would not affect direct spending or receipts; therefore, pay-as-you go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Un-

funded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Mark Hadley. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMMITTEE ESTIMATE OF COSTS

Pursuant to the Congressional Budget Act of 1974, the Committee estimates that the amendments to Small Business Act contained in H.R. 774 will increase appropriations no more than \$15 million over the next five fiscal years. Furthermore, pursuant to clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives, the Committee estimates that implementation of H.R. 774 will not significantly increase administrative costs. This concurs with the estimate of the Congressional Budget Office.

OVERSIGHT FINDINGS

In accordance with clause 4(c)(2) of rule X of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been made by the Committee on Government Reform with respect to the subject matter contained in H.R. 774.

In accordance with clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 774 are incorporated into the descriptive portions of this report.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in Article I, Section 8, Clause 18, of the Constitution of the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 29 OF THE SMALL BUSINESS ACT

SEC. 29. WOMEN'S BUSINESS CENTER PROGRAM.

(a) * * *

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(c) CONDITIONS OF PARTICIPATION.—

(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

(A) in the first and second years, 1 non-Federal dollar for each 2 Federal dollars; *and*

[(B) in the third and fourth years, 1 non-Federal dollar for each Federal dollar; and

[(C) in the fifth year, 2 non-Federal dollars for each Federal dollar.]

(B) in the third, fourth, and fifth years, 1 non-Federal dollar for each Federal dollar.

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(k) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated ~~[\$8,000,000]~~ *\$11,000,000* for each fiscal year to carry out the projects authorized under this section, of which, for fiscal year 1998, not more than 5 percent may be used for administrative expenses related to the program under this section.

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